Central PSEs had investment outlay of Rs. 85,294.02 crore in 2004-05 (RE). Plan outlay is Rs. 1,18,462.47 crore in 2005-06 (BE), It may be noted that the entire aggregate reserves and surplus of central PSEs are not free reserves. A decision has been taken recently to enhance the financial powers of central PSEs for investment decisions.

Mishandling by recovery agents

1650. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that recovery agents of a financial institution in Pune had detained illegally a customer of the bank and held him to ransom for payment of his dues to the bank;

(b) whether of late, many banks and Non-Banking Financial Companies (issuing credit cards) are engaging persons of criminal antecedents to recover their dues from defaulting consumers;

(c) whether such agents have been threatening the cards holders ramify members, referees and friends, making false and obscene calls; and

(d) whether Government propose to ban the engagement of recovery agents both by banks and NBFCs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Reserve Bank of India (RBI) have reported that they have no information in the matter.

(d) There is no move to ban engagement of recovery agents. However, in the matter of recovery of dues, banks/NBFCs may ensure that they, as also their agents, adhere to the extant instructions issued by RBI dated May 05,2003 on Fair Practice Code for lenders.

Merger and acquisitions of banks

†1651. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering on mergers and acquisitions of Public Sector Banks;

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†Original notice of the question was received in Hindi.

(b) if so, whether this decision of Government would not affect adversely the working of the banks because the banks have their glorious tradition and they have their reliable working;

(c) whether it is a also a fact that more bank staff would get encouraged to take VRS due to this decision of Government and the number of employees would decrease further and the services of the banks would get affected fully; and

(d) if so, whether Government have contemplated to solve these problems?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRi S.S. PALANIMANICKAM): (a) and (b) Government has indicated that it would consider specific proposals from banks as they arise. Any such proposal for consolidation by way of merger etc. of one nationalised bank with another nationalised bank has to come from the management of the banks concerned with Government playing a supportive role as the common shareholder. No directive on consolidation has been issued by the Government or the Reserve Bank of India The Boards of the banks have to take a decision in this regard based on the synergy levels of merging/consolidating entities.

(e) and (d) While supporting any merger proposal, Government will ensure that the interests of the stakeholders and employees of merging banks are adequately protected.

Operation of Wadi Scheme of NABARD

†1652. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) the names of the State where the 'Wadi' scheme of NABARD is being operated and since when this scheme is being implemented;

(b) whether it is a fact that this scheme has not been started in most of the backward States in the country;

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†Original notice of the question was received in Hindi.